

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Market Structure Branch**

**RESOLUTION T-16681
August 22, 2002**

RESOLUTION

RESOLUTION T-16681. CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA, INC. (U-1024-C). ORDER ACCEPTING SUBJECT TO CORRECTION OR ADJUSTMENT ANNUAL INTRASTATE EARNINGS ADVICE LETTER FILING IN COMPLIANCE WITH DECISION 89-10-031.

BY ADVICE LETTER NO. 741 FILED ON APRIL 2, 2002.

SUMMARY

This Resolution accepts Citizens Telecommunications Company's (CTC) intrastate earnings advice letter filing subject to any corrections, adjustments or refunds that may be appropriate as a result of any future Commission decision.

BACKGROUND

New Regulatory Framework (NRF)

Decision 95-11-024 established a NRF program for CTC similar to that of Pacific Bell and GTEC (now Verizon).

CTC'S ANNUAL RATE OF RETURN FILING

Pursuant to D. 95-11-024, CTC filed its Annual Intrastate Earnings advice letter, which is to be filed every April 1 for the purpose of reporting its actual rate of return, and the market-based benchmark, ceiling, and floor rates of return last found reasonable. CTC initially reported its intrastate ROR for year 2001 was 9.03% in Advice Letter No. 741 submitted on April 2, 2002. CTC later corrected that ROR to 7.27% in Advice Letter No. 741A submitted on April 4, 2002. Other references reported in CTC's filing included the following rates of return:

Market-Based	9.75%
Benchmark	11.25%
Ceiling	14.75%

NOTICE/PROTESTS

CTC states that it mailed copies of Advice Letter No.741 and Advice Letter No. 741A to seven interested parties. AL No.741 was noticed in the Commission's Daily Calendar on April 5, 2002.

No protests have been filed regarding this advice letter.

DISCUSSION

While CTC's reported ROR is below the established threshold for sharing, in order to preserve the Commission's options, CTC's reported ROR will be accepted subject to any corrections, adjustments or refunds that may be appropriate as a result of any future Commission decision.

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

COMMENTS ON DRAFT RESOLUTION

The Telecommunications Division did not receive any comments on the draft resolution.

FINDINGS

- 1) Advice Letter No. 741 was filed in a timely manner.
- 2) Supplemental Advice Letter No. 741A was submitted on April 4 2002.
- 3) CTC reports its ROR for year 2001 was 7.27%.

4) The reference RORs are as follows:

- Market-Based – 9.75%
- Benchmark – 11.25% (+ 150 basis points)
- Ceiling – 14.75% (+ 500 basis points)
- Floor – 6.50% (- 325 basis points)

THEREFORE IT IS ORDERED THAT:

1. CTC's Annual Intrastate Earnings advice letter reporting its rate of return for the year 2000 shall be accepted subject to any corrections or adjustments that may be appropriate as a result of any future Commission decision.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 22, 2002. The following Commissioners approved it:

/s/ WESLEY M. FRANKLIN

WESLEY M. FRANKLIN

Executive Director

LORETTA M. LYNCH

President

HENRY M. DUQUE

CARL W. WOOD

GEOFFREY F. BROWN

MICHAEL R. PEEVEY

Commissioners